

COMPLIANCE GUIDE

The African Payroll Compliance Checklist

Every statutory obligation and deadline for Nigeria and Kenya, in one document — with a monthly rhythm your payroll team can run on.

How to use this checklist

Payroll compliance fails in the gaps — a deadline nobody owned, a rate nobody updated. This guide lists every recurring obligation for **Nigeria** and **Kenya**, then turns them into a monthly rhythm. Print it, assign an owner to each line, and review it at month-end close.

Golden rule: every statutory item needs three things — an **owner**, a **deadline reminder** set before the legal deadline, and **evidence filed** (receipt or acknowledgment) the day it's paid.

Nigeria — the obligations

Obligation	Rate / base	Deadline
PAYE — state income tax	Graduated bands on taxable income	10th of the following month, per state of residence
Pension (PENCOM)	8% employee + 10% employer of qualifying emoluments	Within 7 days of salary payment
NHF — housing fund	2.5% of basic salary (employee)	Within one month of deduction
NSITF — employee compensation	1% of total payroll (employer)	Monthly
ITF — industrial training	1% of annual payroll (qualifying employers)	Annually, by 1 April
Annual PAYE returns	All employees, prior year	By 31 January

The 2025 tax reform acts (effective January 2026) introduced new personal income tax bands and restructured reliefs, with the lowest earners exempt. Make sure your payroll engine — not a spreadsheet — carries the current tables.

— Nigeria — your monthly rhythm

Before payday

- ☐ Capture all joiners, exits, promotions and salary changes for the month
- ☐ Apply current tax tables and reliefs; recompute gross-to-net
- ☐ Review variance report vs last month — investigate anything unexplained
- ☐ Approve the payroll run (segregation of duties: preparer ≠ approver)

On payday

- ☐ Pay salaries to bank / mobile wallet destinations
- ☐ Schedule pension remittance — the 7-day PENCOR clock starts today
- ☐ Issue payslips to all employees

By the 10th of the following month

- ☐ Remit PAYE to every state where employees reside; file evidence

Month-end close

- ☐ Remit NHF and NSITF; reconcile all remittances against the payroll run
- ☐ File receipts and acknowledgment slips in the compliance folder
- ☐ Update the compliance register — every line green or escalated

Annually

- ☐ January: file annual PAYE returns (Form H1 or state equivalent) by the 31st
- ☐ By 1 April: ITF contribution for qualifying employers
- ☐ Recertify pension PFA details and employee RSA numbers

— Kenya — the obligations

Obligation	Rate / base	Deadline
PAYE — income tax (KRA)	Graduated bands, 10%–35%	9th of the following month
SHIF — social health insurance	2.75% of gross salary (employee), minimum applies	9th of the following month
NSSF — pension	6% employee + 6% employer, up to tiered limits	9th of the following month
Affordable Housing Levy	1.5% employee + 1.5% employer, on gross	9th of the following month
Annual returns / P9	Employee tax deduction cards	Issue P9s for employee filing season

One date to circle: the 9th. PAYE, SHIF, NSSF and the housing levy all fall due together. A single late month triggers penalties on multiple fronts.

— Kenya — your monthly rhythm

- ☐ Before payday: apply current NSSF tier limits (they step up over time) and SHIF minimums
- ☐ Apply personal relief and statutory deductibility rules — over-deduction underpays your people
- ☐ On payday: pay salaries (bank / M-PESA); issue payslips
- ☐ By the 9th: remit PAYE, SHIF, NSSF and AHL via iTax / respective portals; file acknowledgments
- ☐ Month-end: reconcile remittances to the run; update the compliance register

This checklist is general guidance, current as at publication (2026 edition). Rates, bands, limits and deadlines change — always confirm against current NRS / state authority (Nigeria) and KRA / SHA / NSSF (Kenya) publications, or your professional adviser, before filing.

Put this on autopilot

Xceed365HR keeps Nigeria and Kenya statutory rules built in and up to date — payroll, compliance and your people, in one agentic platform.